

Memorandum

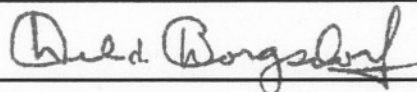
TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jim McBride

SUBJECT: SEE BELOW

DATE: September 29, 2004

Approved



Date

10/1/04

SUBJECT: AMENDMENT TO AGREEMENT WITH BROWNING-FERRIS INDUSTRIES, INC., FOR THE REMOVAL, TRANSPORTATION AND BENEFICIAL REUSE OF BIOSOLIDS

RECOMMENDATION

Adoption of a resolution authorizing the Director of General Services to execute an Amendment to the existing Agreement with Browning-Ferris Industries, Inc. ("BFI") for removal, transportation and beneficial reuse of biosolids to increase the first year compensation by \$175,000 for a total maximum first year compensation not to exceed \$1,360,730.

BACKGROUND

The previous five-year contract with BFI for the removal of the Plant's biosolids expired in March 31, 2003 and a Request-for-Proposal (RFP) was subsequently conducted. As a result of the RFP, staff submitted recommendation to City Council to award the contract to BFI as the lowest cost proposal. On November 18, 2003 (item 2.23), the City Council adopted Resolution 71834, authorizing the Director of General Services to execute a one-year agreement with four, one-year options with Browning-Ferris Industries ("BFI").

ANALYSIS

Compensation to BFI under the biosolids removal contract is calculated based on the tonnage that is removed. Plant staff estimates the quantity to be removed during each contract year. The first year contract amount of \$1,185,730 approved by City Council was not sufficient to remove the entire stockpile of biosolids. The most recent measurement of the remaining stockpile volume indicates that removal of material that has accumulated during the current contract term will require approximately an additional \$175,000.

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It is most advantageous for the City to complete the removal of the accumulated material now for two reasons:

- 1) avoid higher costs related to rainy season that will result in wet biosolids and thereby increasing weight per ton,
- 2) avoid higher costs associated with deferring removal into the next contract year, due to the 2nd year Consumer Price Index (CPI) increase of approximately 2% or roughly \$3,500.

Managed Competition (Contracting-In)

The contract has provisions to allow the City to haul a portion of the biosolids at a reduction of \$2.50 per dry ton hauled. At the present time sufficient City staffing is not available to complete the hauling of the remaining biosolids.

PUBLIC OUTREACH

Not applicable.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, the Environmental Services Department, the Office of Equality Assurance and the City Manager's Budget Office.

This recommendation is scheduled for presentation to the Treatment Plant Advisory Committee (TPAC) on October 14, 2004.

COST IMPLICATIONS

This Council item is consistent with Council approved Budget Strategy recommendation under General Principle #2, "We must focus on protecting our vital core city services."

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	RC #	Total Appn.	Amt. for Contract	2004-2005 Proposed, Operating Budget Page	Last Budget Action (Date, Ord. No.)
513	0762	Non-Personal/ Equipment	924010	\$28,665,641	\$1,185,730	VIII-48	N/A

HONORABLE MAYOR AND CITY COUNCIL

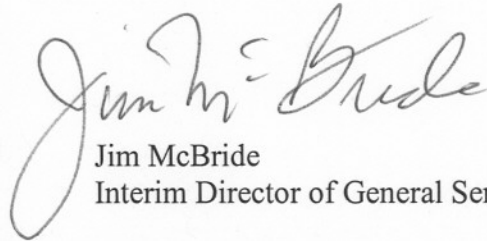
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CEQA

Exempt, PP 03-09-300

A handwritten signature in cursive script, reading "Jim McBride". The signature is written in dark ink and is positioned above the printed name and title.

Jim McBride

Interim Director of General Services